

TODAY'S PRESENTERS

12:30-13:00



Ilija Batljan & Oscar Lekander

Founder & CEO Head of Business Development

14:10-14:30



Krister Karlsson

Deputy CEO, Real Estate Manager

13:00-13:40



Lars Thageson & Jonny Göthberg

Deputy CEO, COO Head of Property Management

14:30-14:50



Eva-Lotta Stridh & Rosel Ragnarsson

CFO Head of Finance

13:40-14:00



Peter Olausson & Marika Dimming

Technical Manager IR/Sustainability



STRATEGY AND NEW OPERATIONAL TARGETS

STRATEGY GOING FORWARD

1

- Continue to focus on community services properties, our core assets.

2

- Unlock value through renovations and optimization of existing properties.

3

- Strategic property development to significantly contribute to earnings over a business cycle.

4

- Increase our efforts within sustainability.

5

- Continued focus on decreasing financial costs and investment grade.

NEW GOALS

Objective

The Company's objective is to acquire, manage and develop properties that will create a high risk-adjusted return for its shareholders

Financial targets		Operational targets	Dividend policy ³⁾
NAV per share ¹⁾	Income from building rights	Growth target	<p>40%</p> <p><i>Long-term target to pay dividend amounting to 40% of distributable earnings (incl. preference share dividends)</i></p>
>12% <i>(annual average growth over a 5 year period)</i>	SEK 250-400m <i>(per year, on average)²⁾</i>	Property value SEK 40bn by 2023 <i>(with retained investment grade rating)</i>	
LTV	Secured LTV	Refurbishment	
<55%	<40%	Renovate at least 600 apartments per year	
Equity ratio	ICR	Main list	
>35%	>2.5x	Listing on the Nasdaq main list during 2019	
By the end of 2018, meet the conditions for an Investment Grade rating from one of the leading credit rating agencies			

MANAGEMENT

Management team



Ilija Batljan – CEO

Previous experience: Deputy CEO and Head of Business Development at Rikshem AB 2011 – 2016

Education: Ph.D. in Social Work (demographics, health care and long term care for the elderly), Stockholm University. BA Economics, Stockholm University

21
years in
industry



Krister Karlsson – Deputy CEO, Real Estate Manager

Previous experience: Project and Property Development Manager at Rikshem AB 2011 -2016, long and extensive experience from positions within property and real estate: NCC, Rikshem and others

Education: Real estate economics (Royal Institute of technology, Stockholm and Uppsala University) , Law (Uppsala University)

30
years in
industry



Lars Thagesson – Deputy CEO, COO

Previous experience: COO and Founding partner of Hemfosa Fastigheter AB, CEO of Kungsleden, Head of Property Management of Kungsleden

Education: 9 year elementary school

44
years in
industry



Eva Lotta Stridh – CFO

Previous experience: Long and extensive experience from the real estate industry: Huge, Akelius, Rikshem, Oscar Properties. Previously CFO of Rikshem AB 2011-2014, Senior Consultant to various companies, Financial Manager of Oscar Properties 2015-2016

Education: BSc, Business Administration, Stockholm University

18
years in
industry



Rosel Ragnarsson – Head of Finance

Previous experience: Deputy CEO/Debt manager at AB SLL Interfinans, Senior Manager DCM and Treasury at Dexia Stockholm and several other positions within finance at Nordea, SBAB and Citibank

Education: BSc Business Administration from Uppsala University

34
years in
industry



Peter Olausson – Technical Manager*

Previous experience: Constructor SWECO AB, Administration manager Home Properties AB, Property manager Rikshem AB, Regional manager at Rikshem AB.

Education: Construction engineering, KTH Royal Institute of Technology

17
years in
industry



Oscar Lekander – Head of Business Development

Previous experience: Transaction Manager at Rikshem AB, Analyst NAI Svefa

Education: MSc Real Estate Investment and Finance, The University of Hong Kong, BSc, Real Estate and Finance Royal Institute of technology, Stockholm

8
years in
industry



Joakim Bill – Transaction Manager*

Previous experience: Senior Business Developer at Rikshem AB, Analyst CBRE

Education: MSc in Real Estate and Construction Management, Royal Institute of technology, Stockholm

8
years in
industry



Jonny Göthberg – Head of Property Management*

Previous experience: Extensive experience in the real estate industry: Head of Property Management at Kungsleden AB, Property Manager at Corallen

(Castellum AB) and Business Development/Transactions at Hemsö Fastighets AB and at Hemfosa Fastigheter AB

Education: Traineeprogram Ericsson

30
years in
industry



Carl Lundh – Project Development Manager*

Previous experience: Head of Residential Development at Rikshem AB

Education: MSc in Real Estate and Construction Management, Royal Institute of Technology, Stockholm, MSc Business Administration, Stockholm University

6
years in
industry



Marika Dimming – Investor Relations and Head of Sustainability*

Previous experience: 20 years plus capital markets experience, most recently from Swedbank Debt Capital Markets in Stockholm

Education: BSc Hons Economics, London School of Economics and CPE and LPC, the College of Law and LLM Uppsala University

20
years in
industry



Adrian Westman – Head of Investor Relations

Previous experience: Head of Communications and IR Nordnet, Head of Communications SBAB, Head of IR Evolution Gaming

Education: Business Administration, Stockholm University

12
years in
industry

BOARD OF DIRECTORS

Board of Directors



Lennart Schuss – *Chairman of the board*

Experience: Founding partner of Catella Corporate Finance Sweden
Other significant assignments: Chairman of Gimmel Fastigheter AB, Member of the Genesta advisory board
Education: Master of Business Administration (MBA) degree from the Stockholm School of Economics (SSE)



Hans Runesten – *Member of the board*

Experience: Former CEO and current Chairman of Effnetplattformen AB (publ)
Other significant assignments: Chairman of Effnetplattformen AB (publ), board member of Stendörren Fastigheter AB (publ)
Education: Bachelor of business Administration from Stockholm University



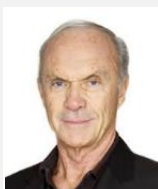
Ilija Batljan – *CEO, member of the board*

Experience: Founder and CEO of SBB, Deputy CEO and Head of Business Development at Rikshem AB 2011-2016
Other significant assignments: Chairman of Cryptzone Group AB and Södertorns college, member of the board of Phoniro, Caretech, Teligent
Education: Ph.D. in Social Work (demographics, health care and long term care for the elderly), Stockholm University. BA Economics, Stockholm University



Eva Swartz Grimaldi – *Member of the board*

Experience: Former CEO of Natur&Kultur and Meter Film&Television, and deputy CEO and content manager for TV4
Other significant assignments: Chairman of Doberman AB, Apotea AB and Norstedts förlagsgrupp, and member of the board of Stockholm University, Stockholm Concert Hall, Forget Foundation and Kungliga Patriotiska sällskapet
Education: Bachelor of science in Italian, Spanish and French



Sven-Olof Johansson – *Member of the board*

Experience: Founder and CEO of FastPartner AB (publ)
Other significant assignments: CEO of FastPartner AB (publ), chairman in Compactor Fastigheter AB, board member of NCC AB (publ), Autoropa Aktiebolag and STC Interfinans AB
Education: Pol. mag. from Stockholm University and Stockholm School of Economics



Anne-Grete Strøm-Erichsen – *Member of the board*

Experience: Partner in Rud Pedersen Public Affairs Norge AS
Other significant assignments: Norwegian Minister of Defense 2005-2009, 2012-2013, Norwegian Minister of Health 2009-2012
Education: South Dakota School of Mines & Technology 1980-1981, further education in Statistics. Bachelor in Engineering from Bergen Technical School (University of Bergen) 1974



Fredrik Svensson – *Member of the board*

Experience: Board member of Balder AB, Chairman of the board at Arvid Svensson Invest AB and CEO at Aktiebolaget Arvid Svensson.
Other significant assignments: Board member of Klöver AB
Education: Degree of Master of Science in Business and Economics, Linköping University.

COMPANY OVERVIEW

Samhällsbyggnadsbolaget i Norden AB (SBB) in brief

- SBB was founded in March 2016 by Ilija Batljan who previously served as deputy CEO of Rikshem and has a long and successful background in the community services real estate segment.
- SBB's main strategy is to own and manage low-risk community service properties in the Nordics and regulated residential properties in Sweden.
- SBB owns approximately 9 000 regulated rental residentials in 30 Swedish cities, from Malmö in the south to Sundsvall in the north with the majority in the regions of Stockholm, Sundsvall, Oskarshamn, Karlstad, Borlänge and Motala.
- SBB also run residential zoning plan processes on attractive commercial properties and develop residential properties as and when attractive opportunities arise on an risk adjusted basis.
- Out of SBB's property value 68% is located in Sweden, 31% is located in Norway and 1% in Finland as of 30 September 2018.
- On 15 January 2018 S&P announced a BB rating (Stable Outlook).
- On 30 May 2018, SBB received its second BB rating when Fitch Ratings announced a BB rating (Positive Outlook).
- SBB is listed on Nasdaq First North Premier with a market value of SEK 8.8bn¹⁾.

Property value per region: 65% in regions of big Nordic cities

Oslo
Market Value 27%
Area, sqm 87,813

Kristiansand
Market Value 4%
Area, sqm 36,261

Northern Sweden & Dalarna
Market Value 17%
Area, sqm 395 409

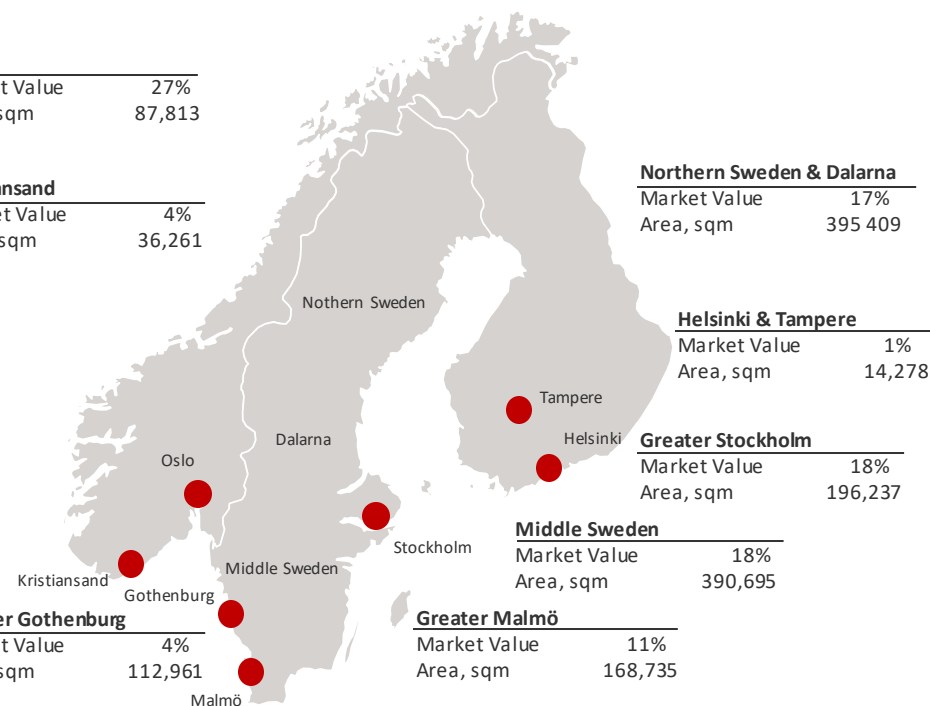
Helsinki & Tampere
Market Value 1%
Area, sqm 14,278

Greater Stockholm
Market Value 18%
Area, sqm 196,237

Middle Sweden
Market Value 18%
Area, sqm 390,695

Greater Gothenburg
Market Value 4%
Area, sqm 112,961

Greater Malmö
Market Value 11%
Area, sqm 168,735



Property portfolio

Property value	# of properties	Rental income ²⁾	Occupancy rate	Portfolio yield ⁴⁾	WAULT (CSP)	Adjusted Equity ratio ³⁾
SEK 25.1bn	782	SEK 1,637m	96.8%	4.8%	7 years	40%



All figures in this presentation are for the Group as of 30 September 2018, if not otherwise stated

1) As of 30 October 2018, based on 546,071,540 common shares and a share price of SEK 11.68 and 209,977,491 non listed A-shares at the same value

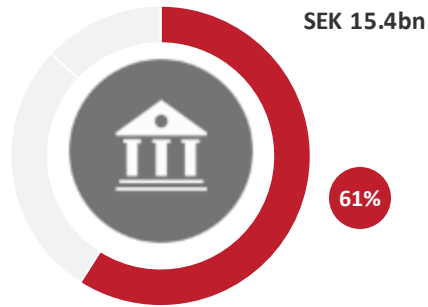
2) Current earnings capacity for the Group for 12 months given the real estate portfolio, financial costs, capital structure and organisation as of 30 September 2018

3) Reported equity incl. shareholder loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets

4) Excluding building rights totalling to SEK 1.285m

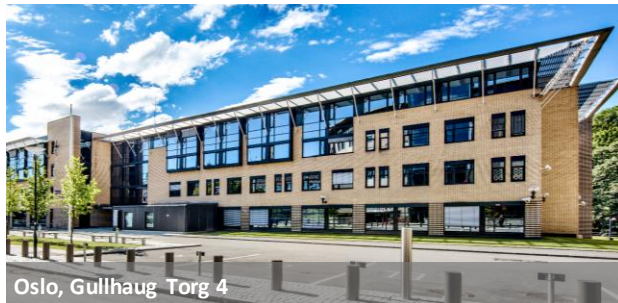
LOW-RISK COMMUNITY SERVICE AND RESIDENTIAL PROPERTIES COMPLEMENTED BY RESIDENTIAL DEVELOPMENT POTENTIAL

Community services properties



Includes schools, elderly care, LSS-housing and municipal/governmental agencies

- Nordic focus
- Publicly financed tenants
- Low tenant turnover and long contracts
- High demand, limited supply



Residential properties



Mainly constitutes of rental apartments in multi-tenant houses but also includes rental terraced houses

- Swedish focus
- Low tenant dependency and high occupancy rate
- Value creation through renovations



Other / building rights development



Commercial properties held in order to create future residential development plans

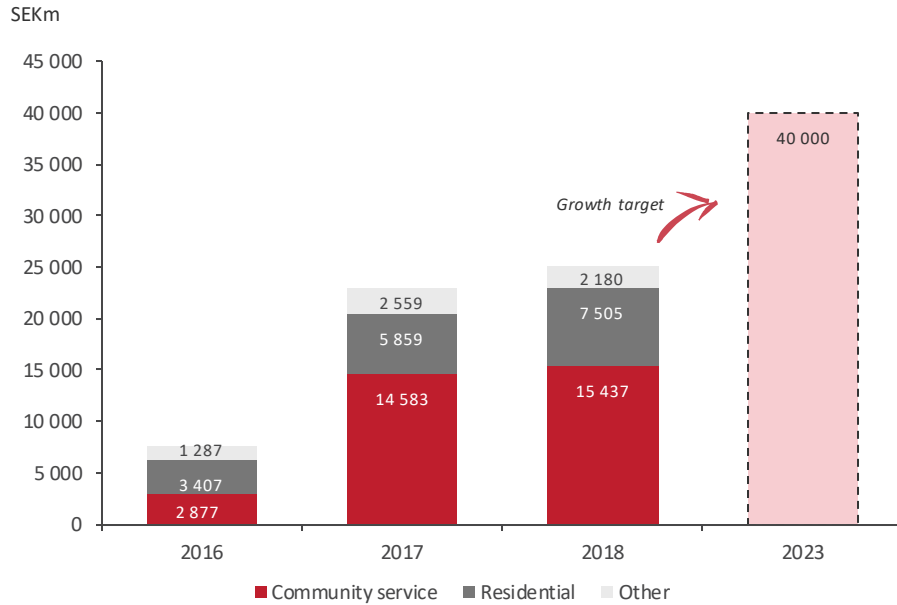
- Identified development potential in current portfolio corresponding to 892k sqm
- Only opportunities with a high risk adjusted return is undertaken



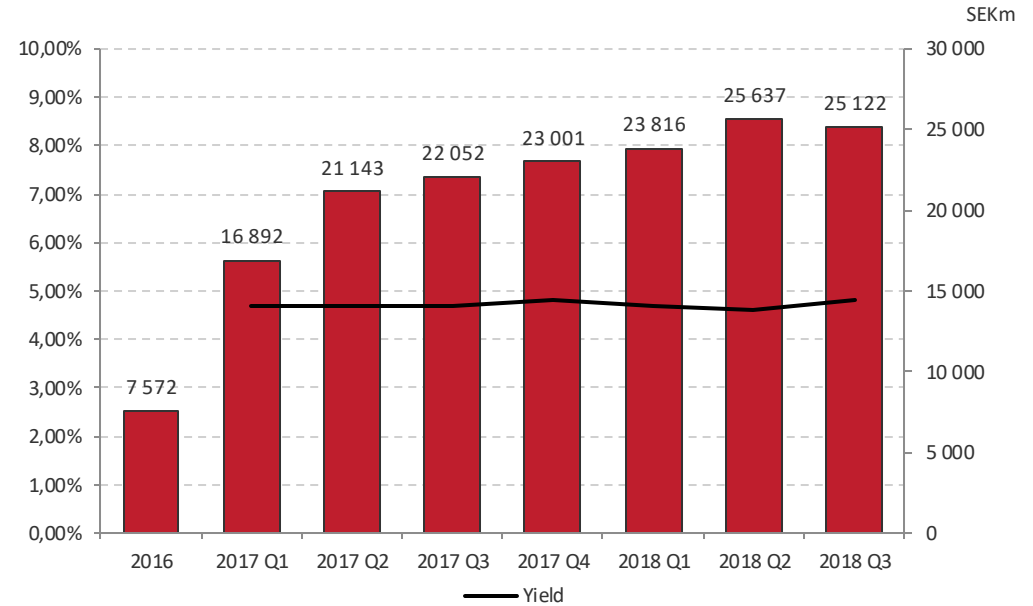
GROWTH OVERVIEW

Overview

Market value per segment



Total market value



LONG TERM RELIABLE PARTNER FOR MUNICIPALITIES CREATES STABLE INCOME

Income overview ¹⁾		
Classification	Rental Income, SEKm	% of Total
Residential	541	33
Group Housing (LSS)	155	10
Government	691	42
Indirect Government	113	7
Other	137	8
Total	1,637	100

History of acquiring from municipalities

- Long history of actively working with several municipalities in Sweden
- First transaction completed only 6 months after SBB was founded

Active ownership

- Ongoing discussions with several municipalities for collaboration projects involving development of new community service properties
- Extensive collaboration with long term care service provider, to meet municipal needs of service

Property development

- Property development portfolio includes assets in Haninge, Falkenberg, Falun, Nyköping, Nykvarn, Höganäs, Motala, Uppsala, Karlstad, Kävlinge, Luleå and Ulricehamn

Properties acquired from municipalities

Uppsala
 SEK ~760m

Borlänge
 SEK ~760m

KARLSKRONA KOMMUN
 SEK ~400m

Haninge kommun
 SEK ~350m

FALUN
 SEK ~400m

SKELLEFTEÅ
 Make room for ideas.
 SEK ~1050

ULRICEHAMNS KOMMUN
 SEK ~70m

Municipality and state tenants

STATSBYGG
 KARLSKRONA KOMMUN
 Region Gotland
 Borlänge
 Malmö stad
 Landstinget DALARNA
 Göteborgs Stad
 NYKVARNS KOMMUN
 SKÅNE
 NACKA KOMMUN
 Stockholms läns landsting
 VÄSTRA GÖTALANDSREGIONEN
 SKÅNE
 KARLSTADS KOMMUN

Example transactions

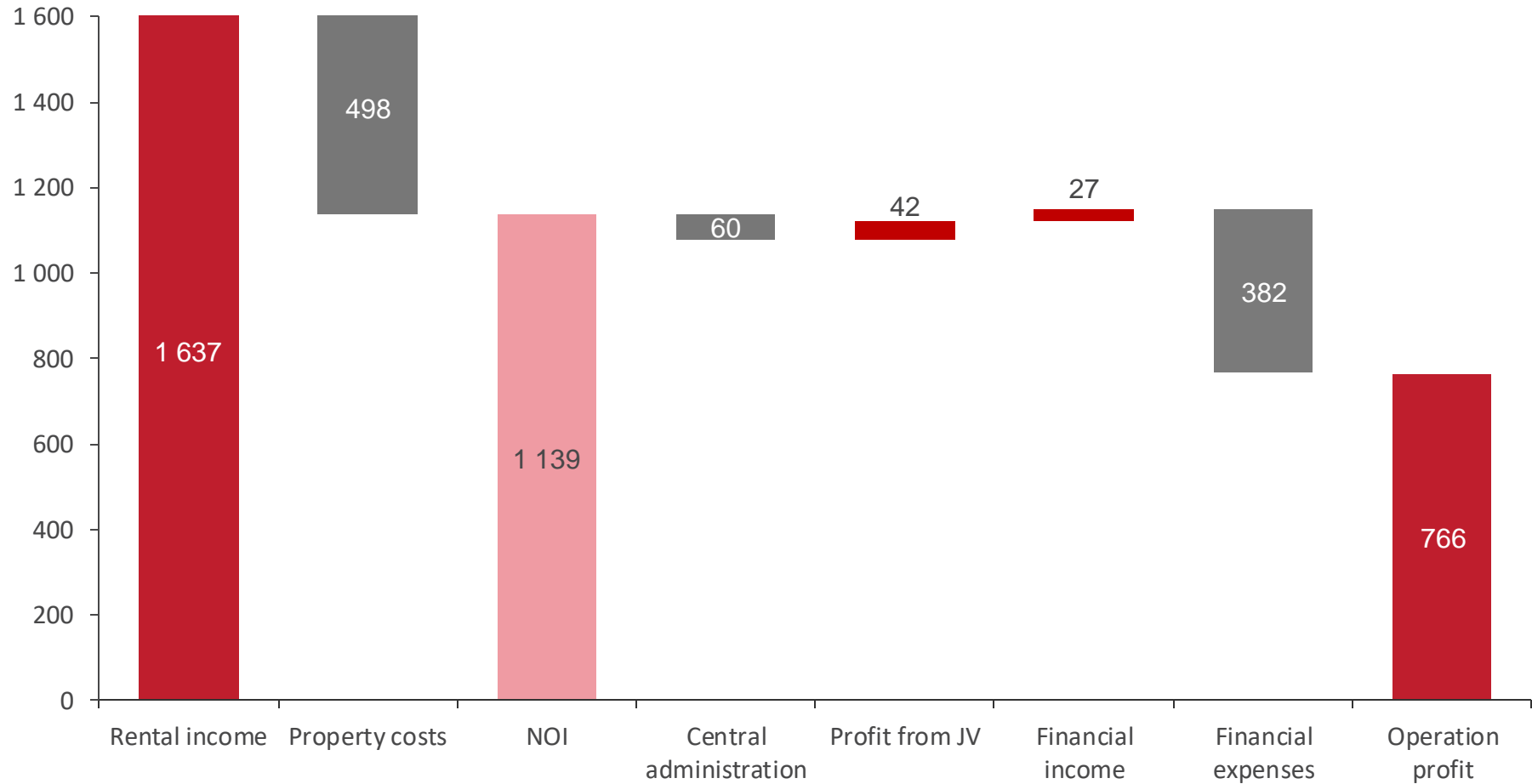
- Borlänge: Acquisition of residential and community service properties, for example the City Hall
- Haninge: Acquisition of Jordbro Centrum and Västerhaninge Centrum and upcoming building rights for approx. 1,500 apartments
- Huddinge: Nine school and community service properties acquired from the municipality of Huddinge in Stockholm County
- Skellefteå: Signed SPA to acquire the new community center

EARNINGS CAPACITY PROPERTY PORTFOLIO AS OF 30 SEPTEMBER 2018

Current earnings capability for the Group for 12 months

SEKm

Surplus ratio: 70%



UNDERLYING MEGATRENDS SUPPORT CONTINUED GROWTH



Demographic change



Sustainability and
energy efficiency



Urbanization

IN SUMMARY

1

- Sustainable and predictable cash flow remain the foundation of our activities.

2

- Experienced development and transaction teams with strong track records.

3

- Obtaining investment grade rating and lowering financing costs are continued focus areas.

4

- Significant potential from renovations within both residential and community service properties: 450 residential units renovated in 2018, 600 residential units to be renovated in H2 2018 – H1 2019.

5

- Active property management and energy efficiency: Large potential but still in early phase.

6

- Market fundamentals expected to remain stable.



PROPERTIES FOR THE MOST IMPORTANT COMMUNITY SERVICE FUNCTIONS

WHAT IS A COMMUNITY SERVICE PROPERTY?

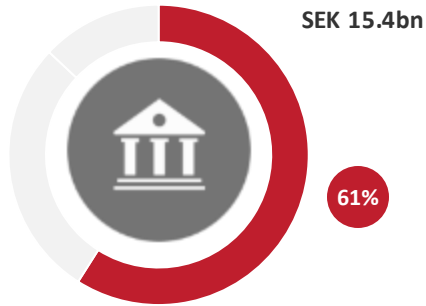
Definition of a community service property



At least 75 percent of the rental income shall be from directly or indirectly tax-funded tenants

PROPERTIES FOR THE MOST IMPORTANT COMMUNITY SERVICE FUNCTIONS

Community services properties



Includes schools, elderly care, LSS-housing and municipal/governmental agencies

- Nordic focus
- Publicly financed tenants
- Low tenant turnover and long contracts
- High demand, limited supply



Residential properties



Mainly constitutes of rental apartments in multi-tenant houses but also includes rental terraced houses

- Swedish focus
- Low tenant dependency and high occupancy rate
- Value creation through renovations



Other / building rights development



Commercial properties held in order to create future residential development plans

- Identified development potential in current portfolio corresponding to 892k sqm
- Only opportunities with a high risk adjusted return is undertaken



COMMUNITY SERVICE PROPERTIES – LONG CONTRACTS WITH STABLE COUNTERPARTIES

SEK 15.4bn
portfolio value

609,567 sqm
Lettable area

SEK 942m
Rental income¹⁾

SEK 772m
NOI¹⁾

7 years
WAULT

97%
Occupancy rate

5.1%
Yield²⁾



Publicly financed tenants

- High predictability generated from stable publicly financed tenants
- Tenant improvements paid for by the tenants thus limiting unexpected capex



High demand

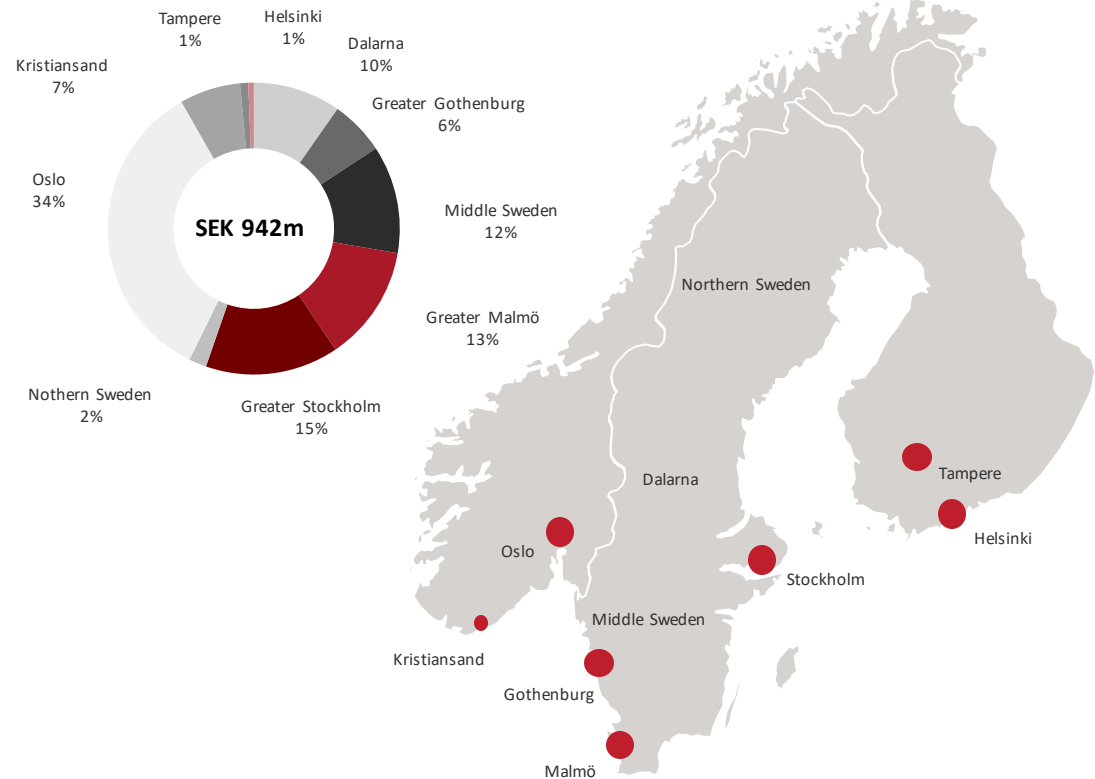
- Due to population growth and an aging population



Low tenant turnover and long contracts

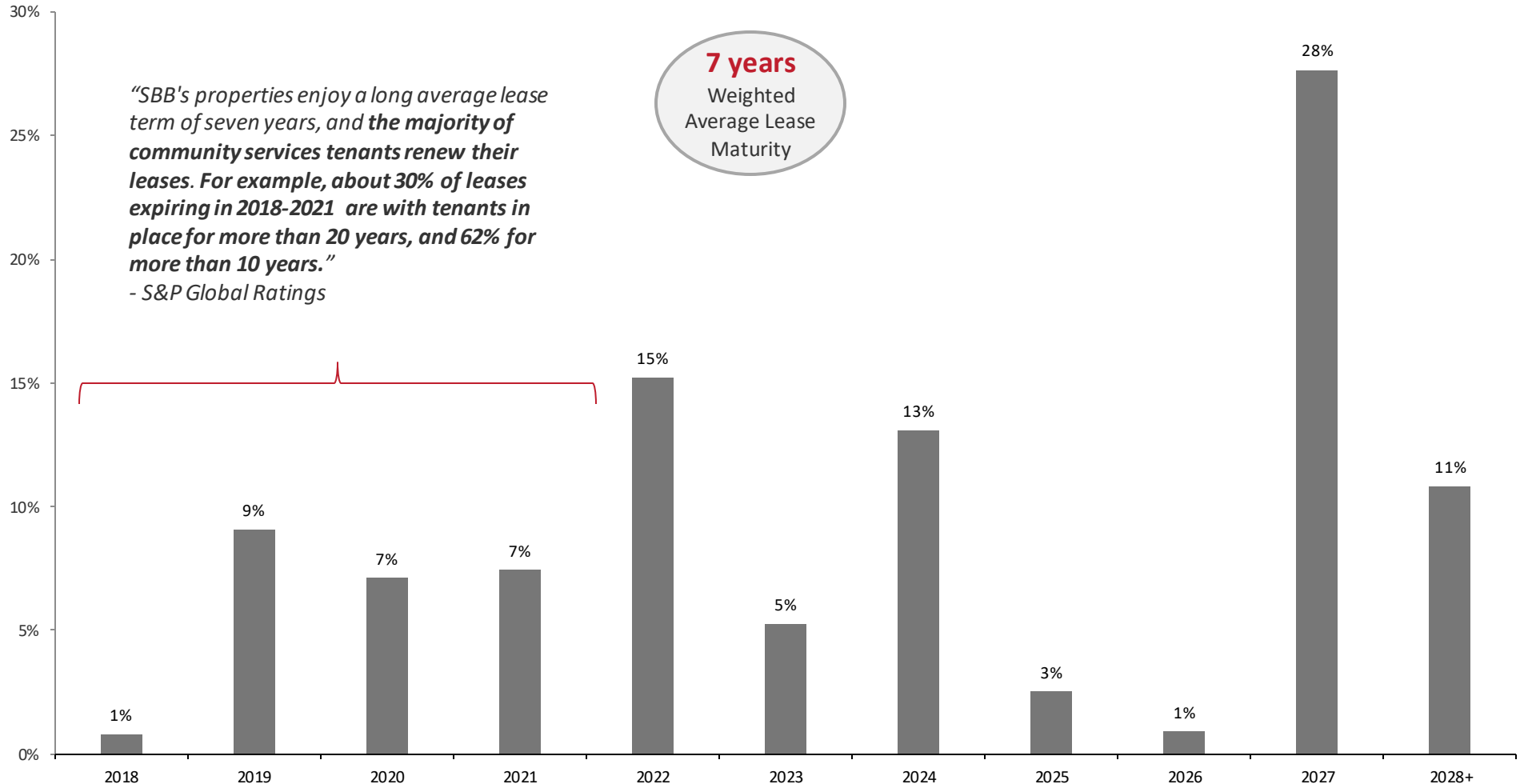
- Well-known, stable tenants paired with low tenant turnover results in stable cash flows
- Average lease maturities of 7 years
- Low turnover due to customized premises and limited alternatives

Distribution by region



COMMUNITY SERVICE PROPERTIES – LONG CONTRACTS WITH STABLE COUNTERPARTIES

Lease maturity structure




SEGMENT BREAKDOWN – COMMUNITY SERVICE PROPERTIES

Breakdown

Average rental income, SEK per sq.m.

Classification	SEKm	of total rental income
Elderly care	136	8.3%
LSS (Group Housing)	152	9.3%
Education	125	7.6%
Health care	81	5.0%
Municipality houses and ministry	128	7.8%
Police and justice	17	1.0%
Offices	111	6.8%
DNB HQ	198	12.1%
Total income CSP	948	57.9%
Total rental income	1,637	100.0%

Average rental income, SEK per sq.m.

Classification		New build
Health care	920	1,500 - 1,800
Education	1,476	1,800 - 2,300
LSS (Group Housing)	1,316	2,600 - 2,800
Elderly care	1,183	2,100 - 2,400

COMMUNITY SERVICE – SELECTED PROPERTIES



Oslo, Gullhaug Torg 4
Tenant is the Norwegian ministry of justice



Borlänge, Bordet 1
Tenant is Kunskapskolan



Borlänge, Spännaren 10
Borlänge town hall, tenant is Borlänge municipality



Karlshamn, Lasarettet 8
Tenant is the Swedish police authority

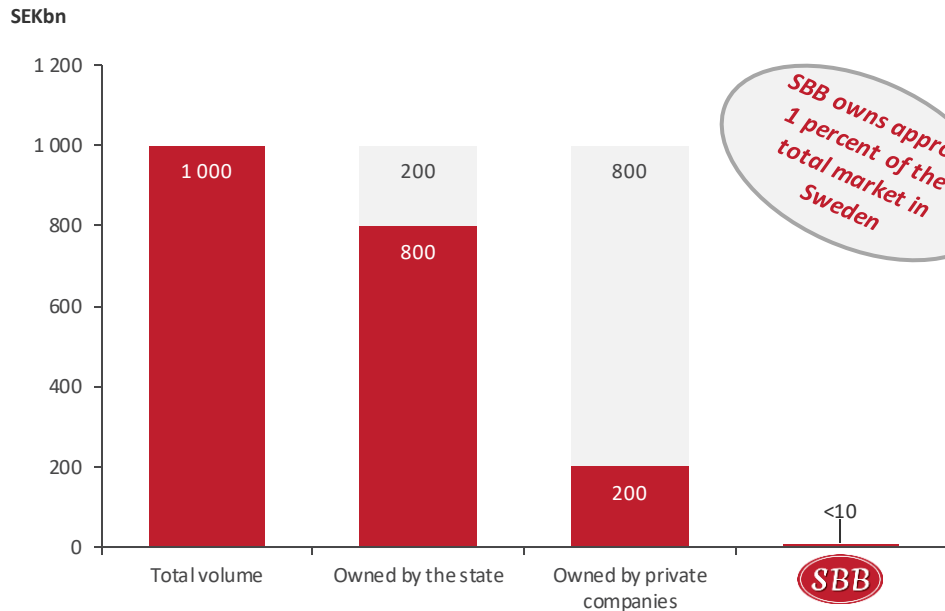


Sundsvall, Hermes 4
Tenant is Sundsvall municipality



Borgholm, Öland 4 (LSS)
Tenant is Borgholm municipality

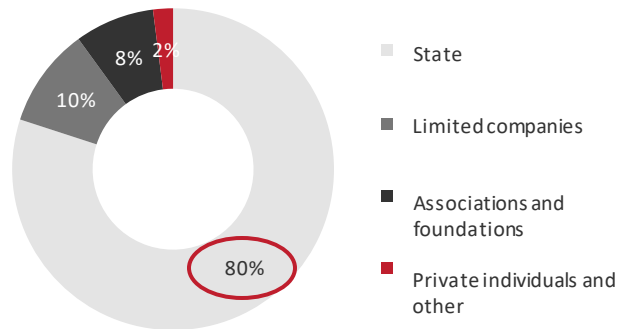
COMMUNITY SERVICE PROPERTIES IN SWEDEN



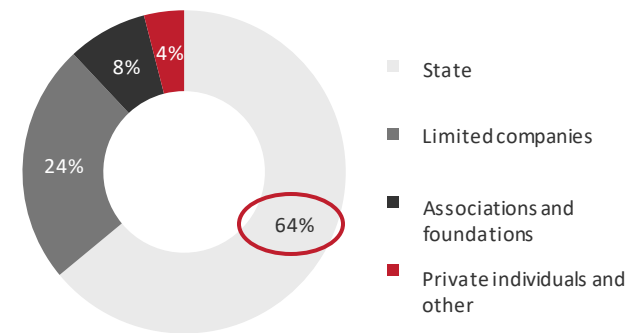
Facts

- According to Boverket private companies currently accounts for 35 percent of all new elderly care homes
- Eight out of ten community service properties are today in public ownership. The proportion is lower if new production are included. Over time, this will change and a large part of the country's school and retirement homes will be privately owned
- Seven out of ten municipalities say they intend to sell in Svefas municipal poll in 2016. For sale is school, elderly, office and industrial properties

Owner of properties with taxation code 823 (Health care building)

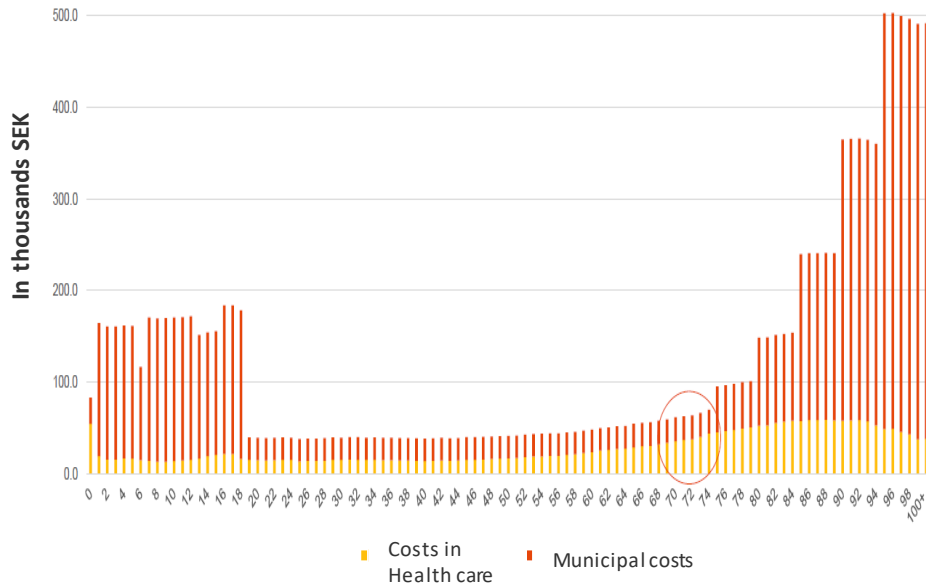


Owner of properties with taxation code 825 (School building)

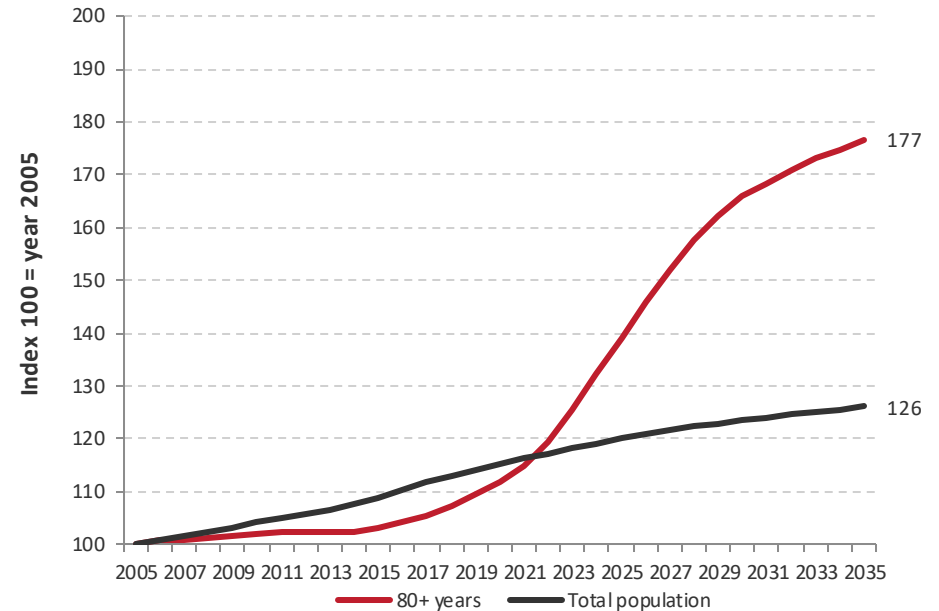


DEMOGRAPHIC CHANGES

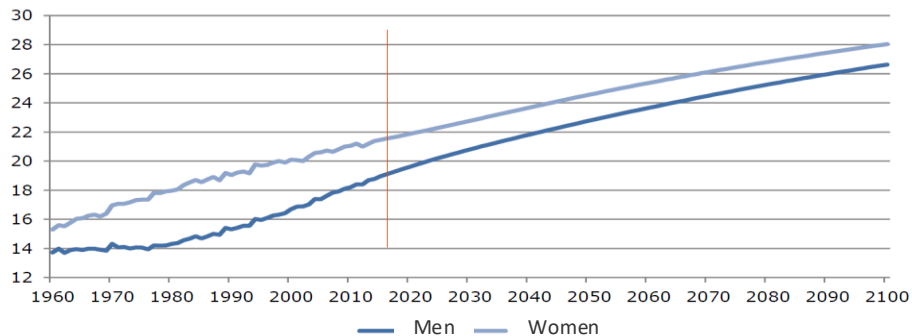
Average cost per person of different ages¹⁾



Population changes, age 80+ years compared to total population



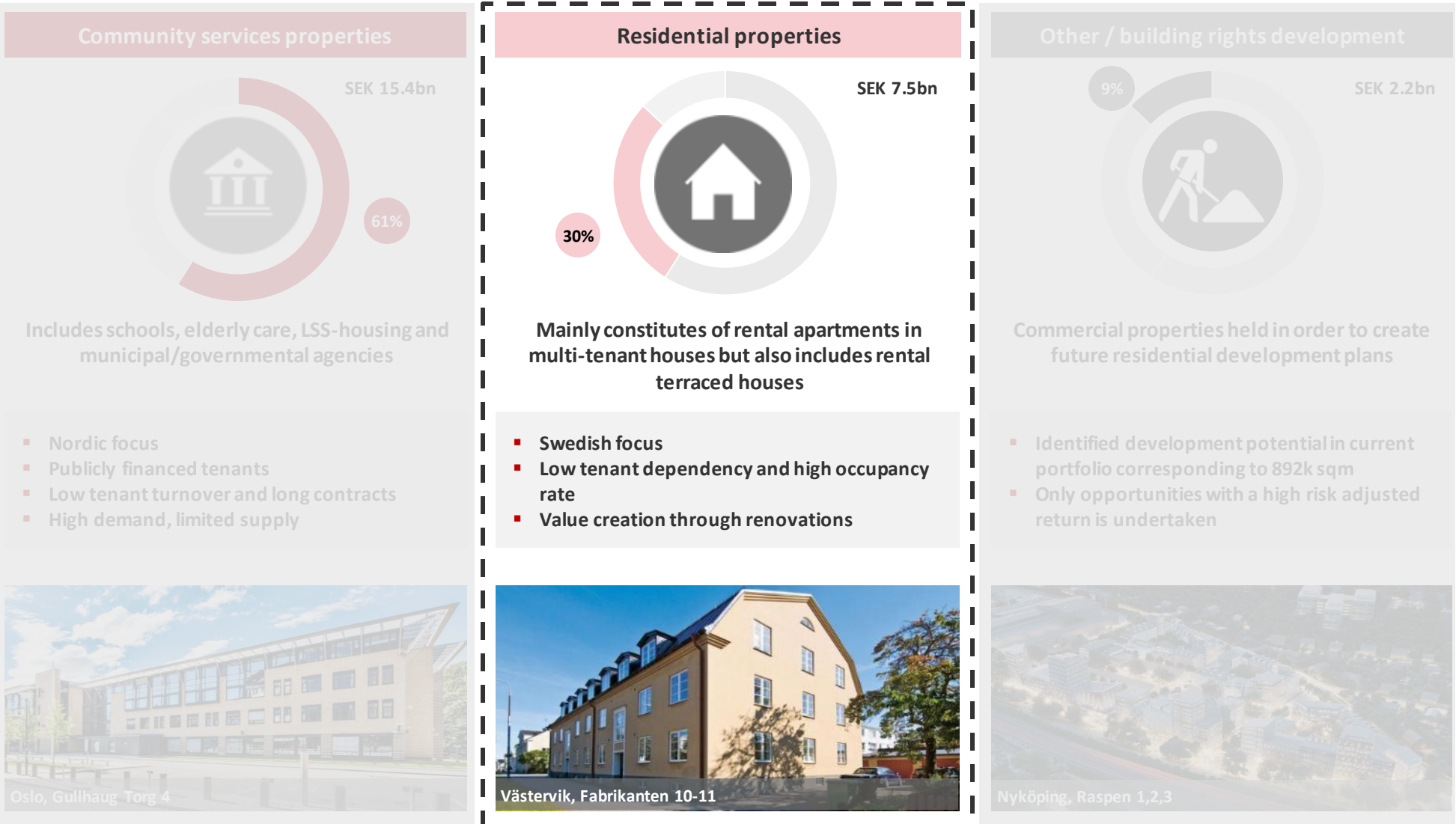
Remaining life expectancy for 65-year-olds



Comments

- The total number of retirement apartments within elderly care properties have decreased from 125,000 to 65,000 during the last decade.
- Major need for elderly care properties to meet the future demand due to demographic trends

LOW-RISK RESIDENTIAL PROPERTIES COMPLEMENTED BY RESIDENTIAL DEVELOPMENT POTENTIAL



RESIDENTIAL PROPERTIES – LOW TENANT DEPENDENCY AND HIGH OCCUPANCY RATE

SEK 7.5bn
portfolio value

608,558 sqm
Lettable area

SEK 581m
Rental income¹⁾

SEK 304m
NOI¹⁾

SEK 955
Rental income / sqm

98%
Occupancy rate

4.2%
Yield²⁾



Cities with an underlying population growth

- Residential assets in growth cities implies low risk



Low tenant dependency and high occupancy rate

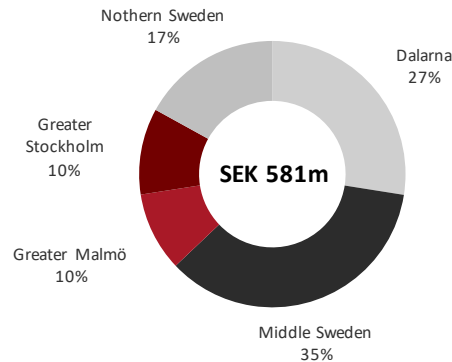
- As a result of regulated rents on the Swedish housing market, there is a widespread shortage of housing
- The residential property portfolio has an economic occupancy rate of 98%



Value creation

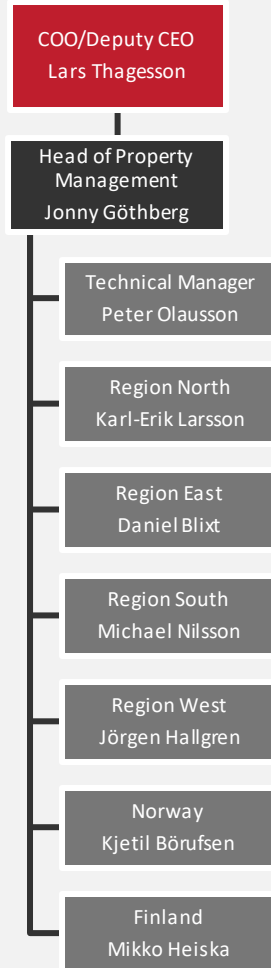
- SBB also works actively and systematically with refurbishments to increase the attractiveness of its properties and to increase rental income

Distribution by region

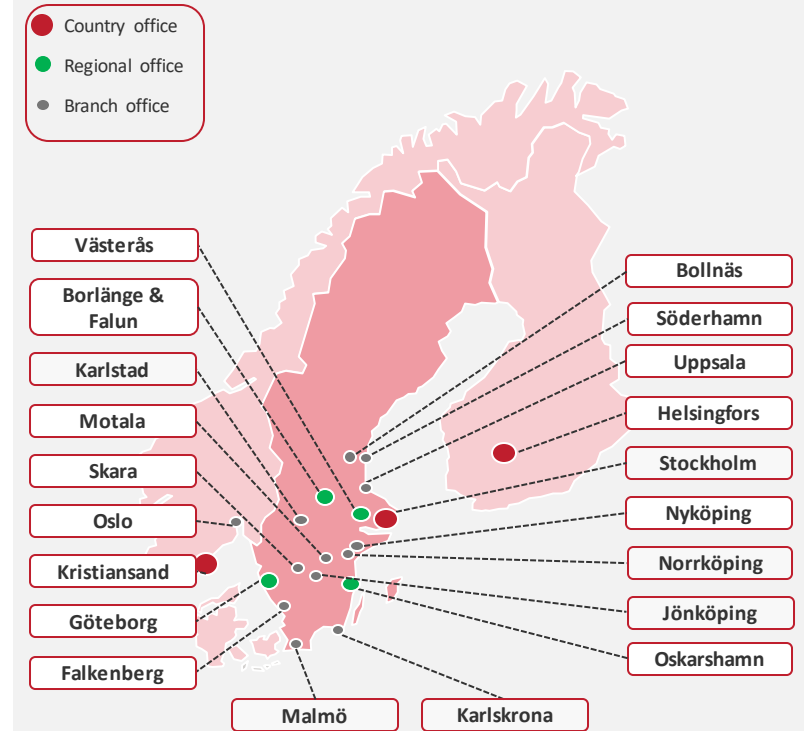


PROPERTY MANAGEMENT ORGANISATION (I/II)

Organisation model



Property management



- Scalable organisation through in-house property management and economic administration – central administration is capable of managing a portfolio of approximately twice the size of the current property portfolio

PROPERTY MANAGEMENT ORGANISATION (II/II)

- Total portfolio consist of 780 properties in 139 municipalities around the Nordics.
- The property management organisation consist of approximately 100 employees with in-house property managers, technicians, property caretakers and leasing administration.
- Large investments in our properties for operation optimisation with heat pumps.
- Renovations of approximately 600 apartments per year. Therethrough, the rental levels in the residential property portfolio rise from SEK 900 per square meter to around SEK 1,300 per square meter.
- Local presence creates opportunities for good business and good connections with municipalities and county councils.
- As of April 2018 SBB acquired 100% of the shares in Hestia Sambygg AB.



RESIDENTIAL – SELECTED PROPERTIES



Västervik, Fabrikanten 10-11



Karlstad, Letten 1,2,5 & 6



Borlänge, Lisselhagen 4



Oskarshamn, Emmekalv 4:55



Stockholm, Skrubbyveln 4



Skara, Yggdrasil 1 & 2

IN SUMMARY

1

- High level of predictability from stable and publicly financed tenants.

2

- Average lease maturities of 7 years.

3

- Approx. 1 percent of total community service property market in Sweden.

4

- Residential assets in growth cities implies low risk.

5

- Systematic approach to refurbishments to increase attractiveness of the properties and rental income.

6

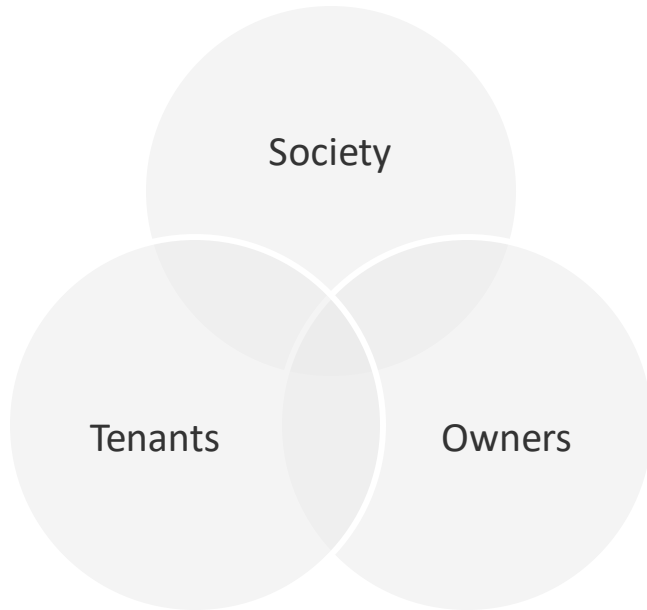
- Local presence enables good connections with municipalities and county councils.



VALUE-CREATING RESIDENTIAL DEVELOPMENT AND SUSTAINABILITY

VALUE-CREATING RESIDENTIAL DEVELOPMENT

SBB's value-creating residential development generates results for:

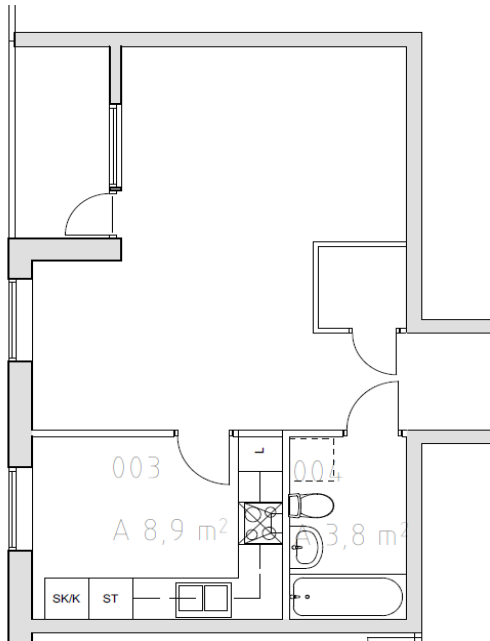


VALUE-CREATING RESIDENTIAL DEVELOPMENT

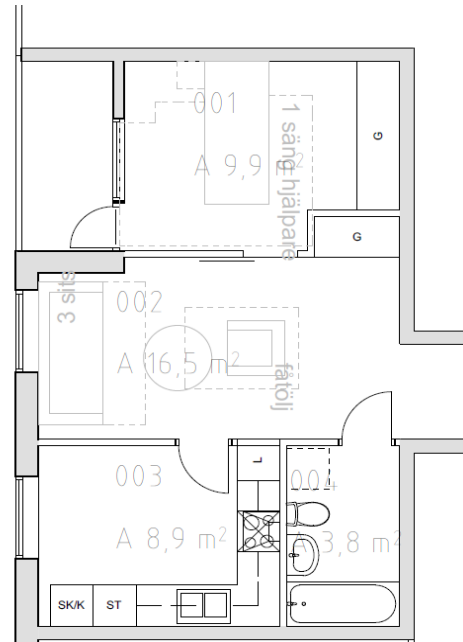
Increased property value is achieved through improved net operating created by:

- Smart value-Creating renovations to a new modern standard are carried out on the basis of a standardized process which generates increased revenue
- Lowering operating costs through energy-saving measures and investments that reduce consumption and tariff-linked costs

VALUE-CREATING RESIDENTIAL DEVELOPMENT



1 rok on 41 sq.m. with existing floor plan.



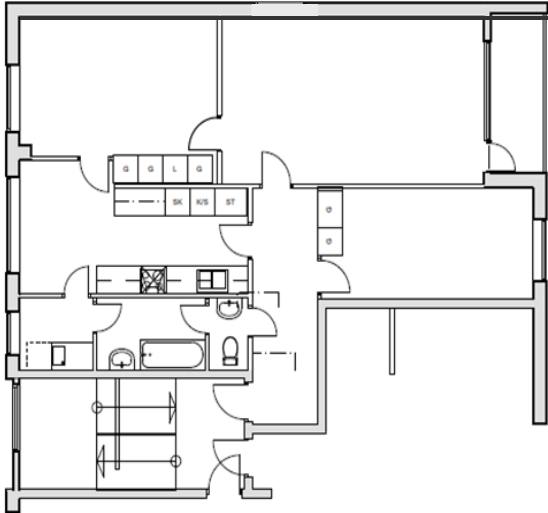
41 sq.m. with new floor plan as 2 rok.

- Space efficient 2 rok instead of large 1 rok
- Possibility of separate bedroom
- The apartment is streamlined and reaches out to a broader target group

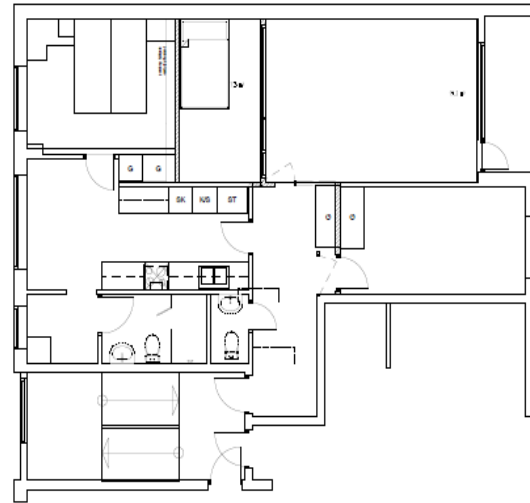
VALUE-ADDING RENOVATIONS



VALUE-ADDING RENOVATIONS



3 rok on 85 m2 with
existing floor plan



4 rok on 85 m2 with
new floor plan

- The apartment is made space efficient and enables more people to live on the same surface
- Additional bedrooms are created
- The apartment is complemented by a toilet that also is made handicap adapted

VALUE-ADDING RENOVATIONS



VALUE-ADDING RENOVATIONS

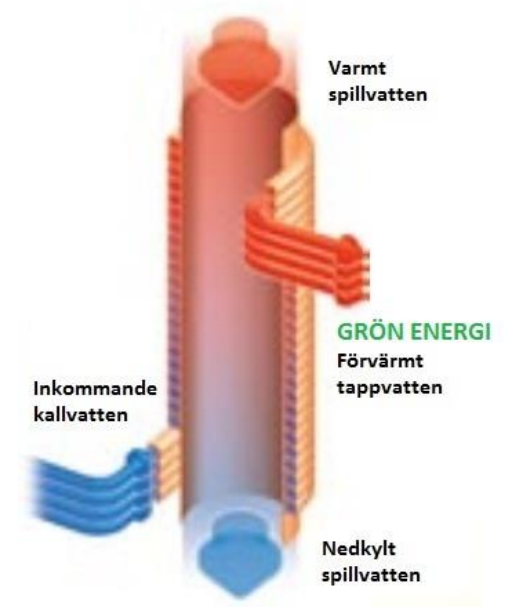
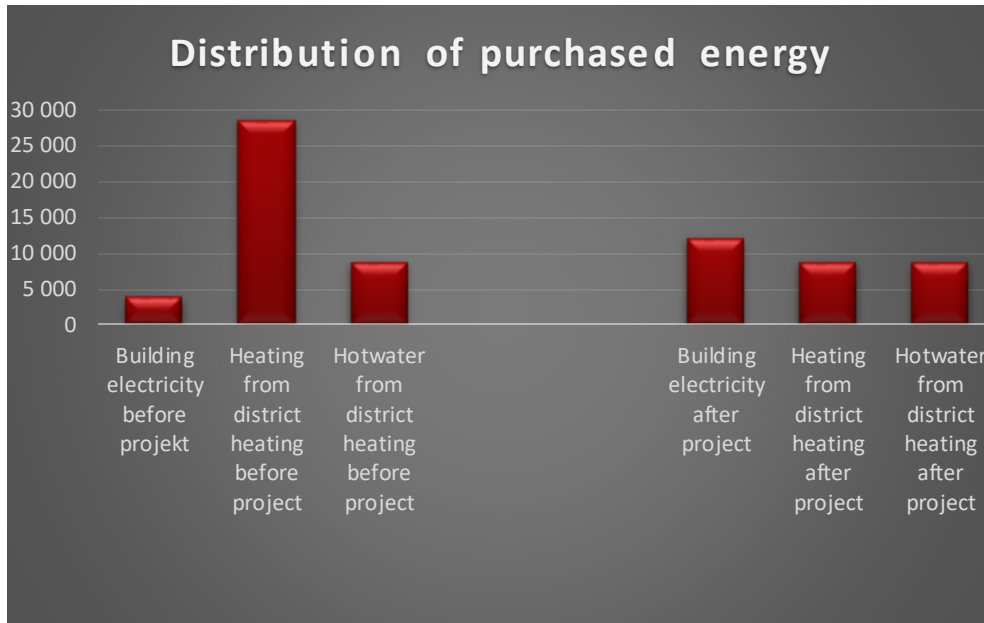
<u>Apartment type</u>	<u>Apartment points</u>	
1 rks	24	
1 rkv	27	
1 rk	34	
2 rkv	34	
1,5 rk	37	
2 rk	40	
2,5 rk	42	
3 rk	44	
3,5 rk	46,5	
4 rk	49	
4,5 rk	50,5	
5 rk	52	
6 rk	55	
7 rk	57	
8 rk	59	

Normative rent=	$\frac{\text{Annual rent x 121}}{\text{RH x77}}$
------------------------	--

RH= Apartment points+ apartment area (m2)
 Norm apartment area =77 m2
 RH of norm apartment= 44 +77=121

- Normative rent is negotiated from a fictitious apartment of 3 rok and 77 m2
- The rent for a specific apartment is calculated from the normative rent and depends on the apartment size and number of rooms

ENERGY-SAVING PROJECTS

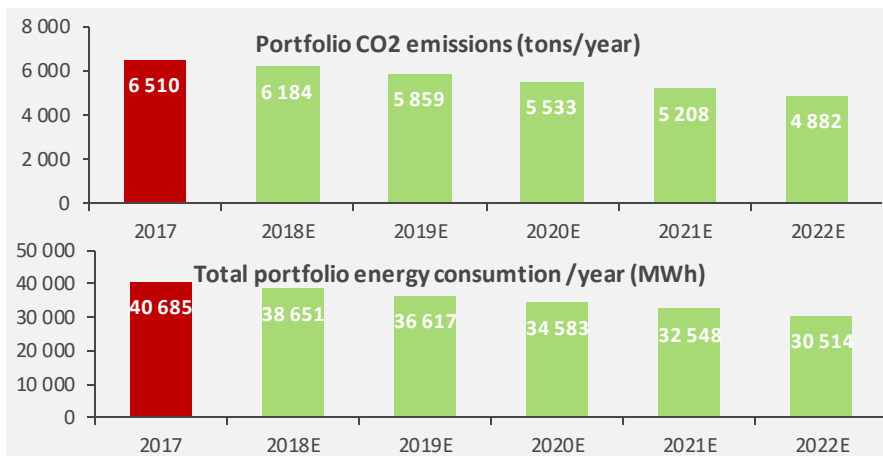


Energy saving is achieved by:

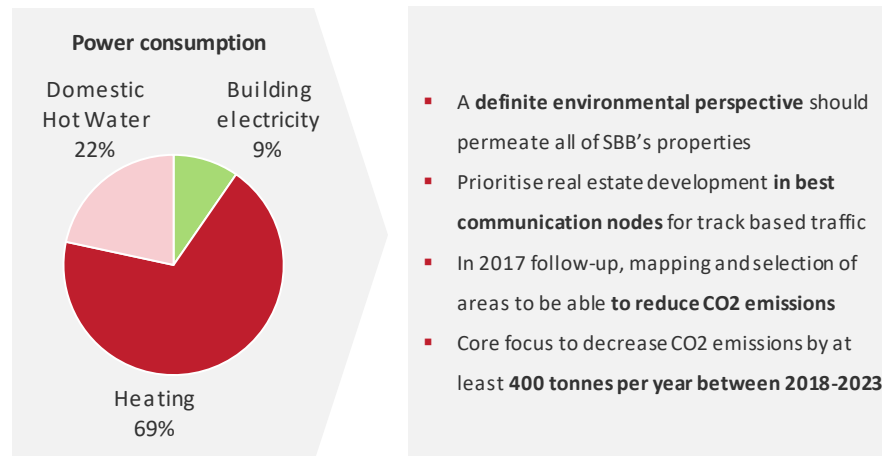
- Recovery of heat from extract air and waste water
- Heatpumps
- Additional insulation
- Solar cells

SUPPORTING THE TRANSITION TOWARDS A MORE SUSTAINABLE WORLD

Focus on reducing CO₂ within the property portfolio

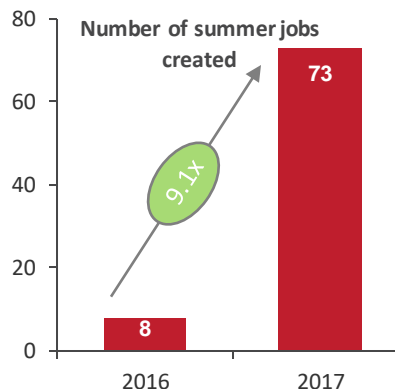


Environmental initiatives employed



Social engagement

- SBB prioritises **social efforts for young people**
- The company is offering **summer jobs** to youths living in SBB's residential areas which connects **all of the dimensions of sustainability**:
 - *Nicer external environments in SBB's residential areas*
 - *Reduce wastage of our shared resources*
 - *Contribute to our long-term operating net profit and creates a link to the youth employment in the market*
- The company is a proud to actively contribute to **Mentor Sverige**
- **Employees** are SBB's most important assets. It is through the employees' involvement, development and competence that the corporate culture creates



*"The number of **summer jobs offered** in our residential areas should be at least **100 per year** starting no later than 2020"*

ENGAGING YOUNG PEOPLE AND CREATING SUMMER JOBS



SBB GREEN BOND FRAMEWORK

- Social engagement is important to SBB and throughout its operations the company wishes to contribute to a sustainable society with functional properties where residents are able to influence their immediate surroundings through close dialogue with SBB as owner and property manager
- By setting up a green bond framework, aligned with the Green Bond Principles published in June 2018 by the International Capital Market Association, SBB offers investors further insights into the company’s sustainability strategy and commitments and thereby an opportunity to support the transition to a low carbon economy
- CICERO has reviewed the Green Bond Framework and graded it Medium Green



CICERO
Medium Green

Use of proceeds

The net proceeds from the issuance of any future Green Bonds will refinance a, by SBB defined, **targeted portfolio** of rent regulated residential apartment houses, predominately built between the 1950s and 1980s with the aim of reducing energy consumption



30% less energy consumption
(equivalent to ~870 tonnes CO₂-emissions annually)



SBB supports the principles of the UN Global Compact and the Sustainable Development Goals, where the company has chosen to focus on **Goal 11 – “Make cities and human settlements inclusive, safe, resilient and sustainable”**

Green Project Portfolio

- SBB is committed to, over a five-year period, performing energy efficiency investments to reduce the purchased amount of energy (kWh) per heated square meter (Atemp) and year by at least 30%
- Due to differing characteristics of the individual buildings in the portfolio, some may achieve a reduction in energy consumption of up to 60%, while others will achieve less
- Every individual building in the portfolio must as a minimum achieve a reduction of 15%

Examples of investments to reduce energy consumption in the targeted portfolio:

- Geothermal heating systems
- FTX-system & FX-system
- Exhaust air heat pumps
- Additional insulation of attics and roofs
- Energy efficient windows
- Efficient water taps



IN SUMMARY

1

- Target to renovate 600 apartments/year.

2

- Renovations on an apartment by apartment basis in a residential building when a tenant decides to move out.

3

- For every krona invested, we double the yield.

4

- Strong focus on sustainability, we aim to reduce the energy consumption by 30% in a targeted residential portfolio (300,000 sq.m.).

5

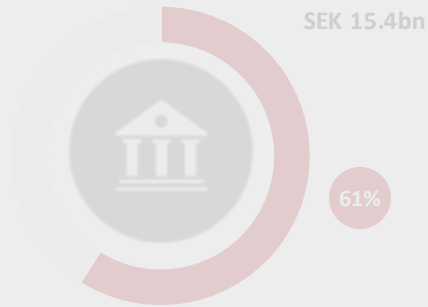
- In our green portfolio, we aim to reduce Co2 by 800 tonnes/year.



PROPERTY DEVELOPMENT

LOW-RISK COMMUNITY SERVICE AND RESIDENTIAL PROPERTIES COMPLEMENTED BY RESIDENTIAL DEVELOPMENT POTENTIAL

Community services properties



Includes schools, elderly care, LSS-housing and municipal/governmental agencies

- Nordic focus
- Publicly financed tenants
- Low tenant turnover and long contracts
- High demand, limited supply



Residential properties



Mainly constitutes of rental apartments in multi-tenant houses but also includes rental terraced houses

- Swedish focus
- Low tenant dependency and high occupancy rate
- Value creation through renovations



Other / building rights development



Commercial properties held in order to create future residential development plans

- Identified development potential in current portfolio corresponding to 892k sqm
- Only opportunities with a high risk adjusted return is undertaken



TEAM

Team Property Development



Krister Karlsson – Vice president and Head of Property Development

Prior experience: Property Development Manager, Rikshem AB 2011 –2016, many years and extensive experience within property industry at NCC 1990-2011.

Education: Property Economics (KTH and Stockholm University), Law (Uppsala University)



Malin Dymling – Property Developer

Prior experience: Deputy project manager, HSB Bostad.

Education: Civil Engineer, Real Estate and Construction Management (KTH)



Carl Lundh – Project Development Manager

Prior experience: Real Estate Development Manager, Rikshem AB.

Education: Civil Engineer, Real Estate and Construction Management (KTH). Masters' degree Economics and Finance, (Stockholms University).



Johanna Peacock – Property Developer

Prior experience: Property Developer, Rikshem AB.

Education: Civil Engineer, Real Estate and Land Law (KTH)



Jenny Linghede – Project Manager

Prior experience: Project management at Oscar Properties, Allegro Projekt, Unibail-Rodamco samt NCC Property Development.

Education: Civil Engineer, Real Estate and Property Economics, (KTH).



Håkan Hansson – LSS Establishment Manager

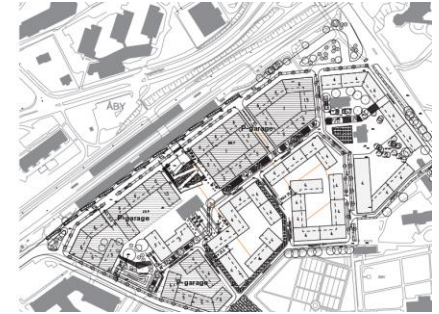
Prior experience: Project development manager Ambea, business developer Attendo and various positions within retail

Education: Business administration (IHM).

PLANNING PROJECTS; TWO VARIANTS

Development Properties

Properties with cash-flow that are acquired by SBB in order to be developed and create building rights for housing and community service buildings.



Current residential or community service properties

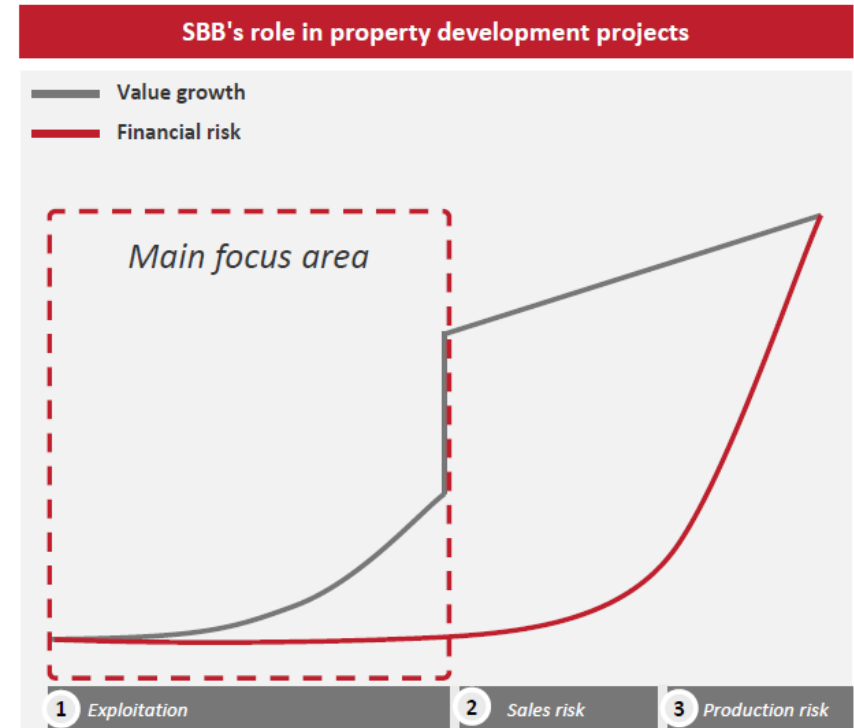
Housing or community service properties within SBB's portfolio that have unused land areas where SBB creates building rights to better utilize the land.

Development of existing real estate enable tenants to move within the area and make the existing property more attractive. Stimulating moving chains also enables SBB to renovate apartments that become empty.



STRATEGIC PROPERTY DEVELOPMENT

- Aim is to generate an annual average of SEK 250-400m in earnings.
- SBB works actively in identifying cash-flow properties with a 5-7 % yield and where SBB sees an opportunity to develop building rights for residential and/or community service properties within 1-5 years.
- Strategic focus on early sales of building rights to create momentum in the planning process and to create security in future cash-flow.
- SBB strives to have a minimum production risk and therefore sells building rights rather than producing ourselves. Sales are made either to an external party or to a joint venture where the other party is responsible for production and project development.
- Off-market transactions and early dialogue with politicians and officials for consensus on development.
- Sustainable development.



DEVELOPMENT EXAMPLE – NYKÖPING RASPEN 1-3



DEVELOPMENT EXAMPLE – NYKÖPING RASPEN 1-3



DEVELOPMENT EXAMPLE– NYKÖPING RASPEN 1-3

Motives for the acquisition

- New station for Ostlänken, the new east coast high-speed railway, (35-40 minutes to Stockholm C) as well as close to Stockholm Skavsta Airport (Stockholms second busiest international airport)
- Annual growth of 700-800 people per year
- Low land use (exploitation ratio of 0.52)
- The potential of the properties is identified in the local government's regional plan for future housing development
- Yield approx. 5.5-6 % on acquisition price and a price of approximately SEK 1,250/sq.m. GFA future building right

Early sales:

- As a part of SBB's strategy, early building right sales have been made. Approx. 68,000 sq.m. GFA have been sold to HSB, Ahnström & Pyk and Backastad

Detailed development plan

- Formal planning process initiated Q3-16
- Formal planning consultation with approx. 156,000 sq.m. building rights, Q3-18
- Estimated granted zoning plan, Q3-19

DEVELOPMENT EXAMPLE – NYKÖPING RASPEN 1-3

	SEKm	Note:
Sales building rights	501	<i>Of which SEK 192.5m is sold; approx. SEK 3,200/sq.m.</i>
Estimated JV profits	274	<i>Residential projects 15 % margin</i>
NOI	78	
<u>Sum Income</u>	<u>853</u>	
Acquisitions	- 200	
Redevelopment costs	- 80	<i>SEK 500/sq.m. GFA</i>
Decontamination costs	- 60	<i>SEK 1,300/sq.m.</i>
Demolition	- 35	<i>SEK 800/sq.m. GFA</i>
Financial costs	- 22	<i>Estimation based on 60 % financing for the acquisition</i>
<u>Sum investments</u>	<u>- 397</u>	
<u>Results</u>	<u>456</u>	

DEVELOPMENT EXAMPLE – NYKVARN KAFFEBRYGGAREN 1

8 Nyheter LT Måndag 26 november 2018



Längs Centrumvägen planeras för hus med fem våningar, en liten bit in på Järnvägen för ett punkthus med åtta våningar. ILLUSTRATION: WHITE ARCHITECTS

Hundratals bostäder byggs

NYKVARN Förvandlingen av Stenkskullevägen i Nykvarn ser ut att börja nästa år. Planen som gör det möjligt att bygga ett ättvåningshus och totalt flera hundra nya bostäder plus ett äldreboende är nu klubbad av kommunfullmäktige. Trogen bygg bostäderna i form av hyresrätter. Tanken är att området kring Stenkskullevägen på sikt ska bli en förklänning av Nykvarns centrum. Att centrum och stadsens bas ligger några hundra meter bort är också en fördel med tanke på att Nykvarns andra äldreboende skulle kunna byggas här, ut mot Centrumvägen. I dag söker kommunen dyra platser i andra kommuner och rostar här länge höjts för att Nykvarn snart måste få ett andra äldreboende, vid sidan av Lagnet. "Till 2020 skulle vi behöva ha det på plats. Det börjar vara lite tajt om tid", har värd- och omsorgschef Maria Persson Lökvist sagt till LT. Kan detta bli en räddning, kommunrådet Bob Wällberg (NIP)? – Jag tror och hoppas att detta kan vara den snabbaste lösningen. Det vore fantastiskt om det gick att hitta en lösning där. Frågan är hur äldreboendet i så fall ska drivas. Marlen ägs av Samhällsbyggnadsbolaget, fastighetsbolaget som grundades av den tidigare spelinkern Ilja Batić-jan 2016. I dag finns få privata verksamheter inom skola och omsorg i Nykvarn och just nu gör kommunen en utredning om styrker och svagheter med förskolor, skolor och särskilda boenden som drivs kommunalt respektive privat. Samhällsbyggnadsbolagets planer för Stenkskullevägen sträcker sig betydligt längre än till bara ett äldreboende. Om planerna genomförs i sin helhet handlar det om en total förvandling av området. Ungefär 400 nya bostäder i flera etapper för det sig om sammanlagt: ■ 220–250 lägenheter i fyra nya byggnader, varav ett hus med åtta våningar vid Järnvägen och övriga med fem våningar. Mot Centrumvägen kan det bli affärslokaler i bottenplan. ■ Cirka 70 lägenheter i påbyggnader på befintliga hus, som då blir fem våningar höga. ■ 24 radhus, två våningar höga, längs Stenkskullevägen. ■ 60 lägenheter/platser på ett äldreboende, som byggs i hörnet Centrumvägen/Järnvägen. Just nu talar det mesta för att lägenheterna i de nya husen blir hyresrätter, enligt Johanna Peacock, fastighetsutvecklare på Samhällsbyggnadsbolaget. Den svaga bostadsmarknaden och svårigheterna att sälja bostadsrätterna i Nykvarns centrum är inget som oror. – Vi känner oss ganska trygga. Det finns alltid en marknad för hyresrätter, säger Johanna Peacock. Äldreboendet lär bli bland

Johanna Peacock, fastighetsutvecklare på Samhällsbyggnadsbolaget. FOTO: PERSSON

”
Kommunen är väldigt angelägen om att det ska bli fint – det här är ju infarten till orten. Jag tror att detta blir bra för Nykvarn.
Johanna Peacock, fastighetsutvecklare på Samhällsbyggnadsbolaget.



Planerna för området mellan Centrumvägen (övre kant), Järnvägen (till vänster) och Stenkskullevägen (övre kant): 1) Punkthus med åtta våningar. 2) Lägenhus med fem våningar som bland annat ska brymma ett äldreboende. 3–4) Lägenhus med fem våningar. 5) 24 radhus. 6) Påbyggnad, två våningar, på befintliga hus. ILLUSTRATION: NYKVARN SAMHÄLLSBYGGNADSBOLAGET

för vår del spelar det inte så stor roll vilket. Det är av projektet genomförs tillsammans med Magnolia bostad och under nästa år hoppas Johanna Peacock att det börjar bli konkreta saker i området. – Kommunen är väldigt

angelägen om att det ska bli fint – det här är ju infarten till orten. Jag tror att detta blir bra för Nykvarn, säger hon.

Text: Mathias Jonsson 08 20 10 46 matja.jon@stentext.se

- Development on own land besides existing residential- and community service properties.
- A newly adopted zoning plan in central Nykvarn in Stockholm Region.
- Total volume of 33,500 sq.m. building rights whereof:
 - 7,000 sq.m. is related to extensions of current residential buildings.
 - 5,000 sq.m. that is planned for an elderly care home leased by the municipality.
- 17,000 sq.m. GFA sold to a JV between SBB and Magnolia for developing tenancy apartments.

DEVELOPMENT PORTFOLIO PER 2018-09-30

Municipality	Property	GFA building right
Development projects with formal planning process initiated		
Nyköping	Raspen 1,2,3	156 000
Nykvarn	Kaffebryggaren 1	33 500
Falun	Falun 9:22	100 000
Ulricehamn	Krämarens 4	7 000
Norrköping	Järven 4	21 800
Haninge	Kalvsvik 11:9, 1:4	135 000
Haninge	Åby 1:67 m.fl.	110 000
Nykvarn	Grytan 6 m.fl.	1 000
Oskarshamn	Hälsan 22	10 000
Karlshamn	Lasarettet 8	6 500
Karlstad	Letten 1	12 000
Lund	Landsdomaren 7	5 500
Karlskrona	Gullbernahult 1	7 000
Borlänge	Klövervallen 1	10 100
Total sq.m. with planning notification (phase 3)		615 400
Project ideas (sq.m. GFA) (phase 1)		47 080
Pending planning notification (GFA) (phase 2)		116 000
Legally binding zoning plan (GFA) (phase 4)		113 440
Total building rights portfolio (GFA) (All phases)		891 920

- 310,000 sq.m. GFA in Stockholm region.
- 580,000 sq.m. GFA in larger cities and/or university cities
- 360,000 sq.m. have been through the formal planning consultation process (including plans where zoning plan already has been granted)
- Of which is sold but not yet closed
 - 404,030 sq.m. GFA
 - SEK 1,411m
 - SEK 3,492/sq.m. GFA



VALUATION AND PERFORMANCE

- External valuation of building rights in accordance with SBB's valuation policy. Value changes are reported as unrealised value changes until closing.
- Total building right portfolio of 892,000 sq.m. GFA.
- Total book value of current building right portfolio of SEK 1,285m, average value of 1,442 SEK/sq.m.
- Building rights sold but not yet closed, total volume 404,000 sq.m. GFA, SEK 1,411m (SEK 3,492/sq.m.). Cash flow of SEK 1,411m expected within the coming 24-30 months.
- SBB's opinion is that current building right portfolio corresponds to profit target of SEK 250 – 400m yearly over the coming 6 – 8 years.

IN SUMMARY

1

- Average annual result of SEK 250 – 400m.

2

- Agenda 2030 goal 11 about sustainable development.

3

- Cash-flow during the zoning process.

4

- SEK 1,411m (SEK 3,492/sq.m.) building rights sold.



CAPITAL STRUCTURE AND FINANCING

TEAM FINANCE & INVESTOR RELATIONS



Eva-Lotta Stridh – CFO



Rosel Ragnarsson – Head of Finance



Tomas Pettersson – Group Controller



Adrian Westman – Head of Investor Relations



Johan Ronngaard – Business Controller



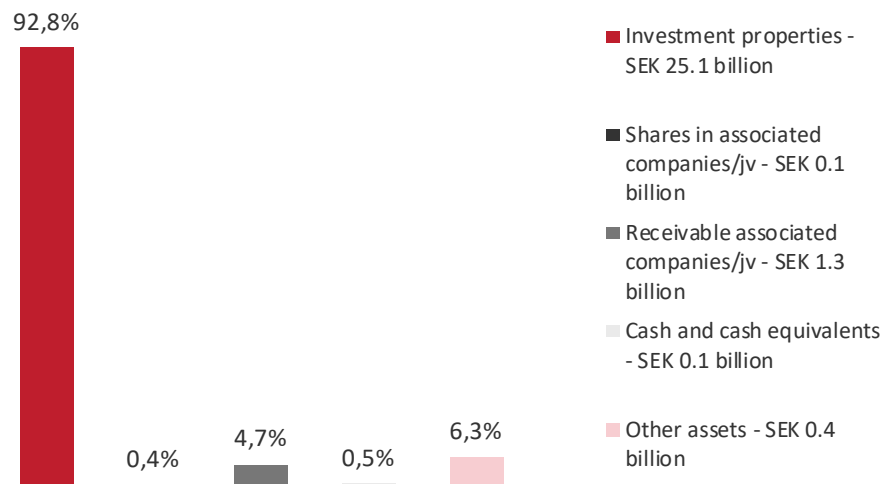
Marika Dimming – Investor Relations & Head of Sustainability



Annica Eén – Business Controller

BALANCE SHEET

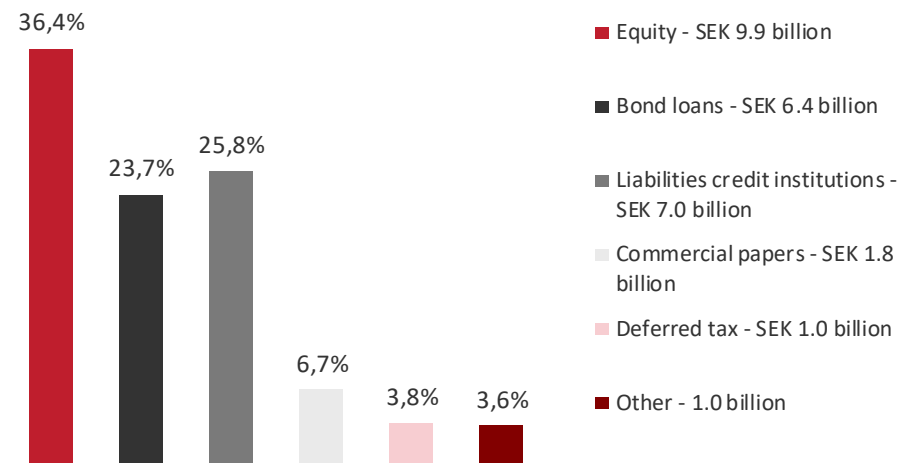
Assets



Comments

- Financial statements as per 30 September 2018.
- Among the associated companies/joint ventures there are both companies that own investment properties and companies that will develop building rights. The property value for the investment properties is SEK 1.5 billion.

Capital structure

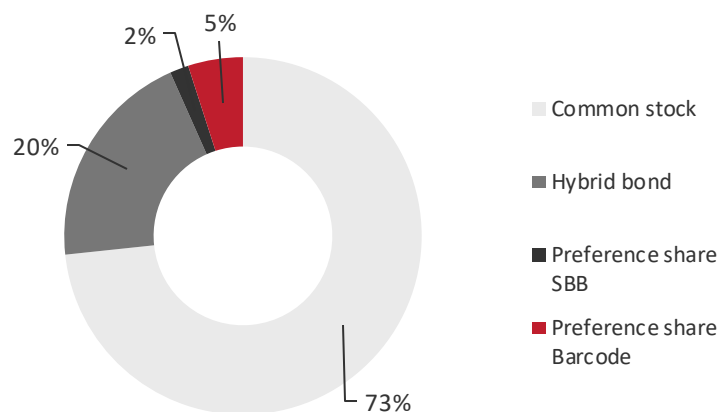


Comments

- Equity ratio is 36 percent. The new financial goal of the company is an equity ratio over 35 percent.
- Adjusted equity ratio, which includes deferred tax of SEK 1 billion in equity, is 40 percent.
- Loan-to-value-ratio is 56 percent. The new financial goal of the company is a LTV-ratio below 55 percent.
- Secured loan-to-value ratio is 44 percent. The new financial goal of the company is a secured LTV-ratio below 40 percent.

SHARE OF EQUITY

Equity structure



Hybrid bond

- Framework SEK 2.5 billion
- Issued SEK 2 billion as per 30-09-2018
- Reported as equity
- Perpetual
- Can only be redeemed by the issuer
- No voting right
- Dividend is paid quarterly
- Interest rate consists of STIBOR 3m + 6-7 percent margin

Preference shares (SBB and Barcode)

SBB

- SBB's preference share is listed on NASDAQ First North Premier
- Issued volume SEK 167 million
- Perpetual and can only be redeemed by the issuer
- Yearly dividend of SEK 35 per preference share (SEK 12 million)

Barcode – Subsidiary in Norway

- Issued volume NOK 470 million
- Perpetual and can only be redeemed by the issuer
- Yearly dividend of NOK 7,000 per preference share (NOK 33 million)

CLASS D SHARES

Strengthening the balance sheet through issue of Class D shares

- SBB has announced an offer to all preference shareholders in SBB to exchange their preference shares against newly issued Class D shares in SBB. The exchange offer means that SBB offers 20 common stock D shares in SBB for each preference share in SBB that is redeemed.
- SBB has announced an offer to all preference shareholders in Barcode to exchange their preference shares against newly issued Class D shares in SBB. The exchange offer means that SBB offers 3 760 common stock D shares in SBB for each preference share in Barcode that is redeemed.

Terms

- Perpetual and can only be redeemed by the issuer
- Voting right 1/10 vote per share
- Yearly dividend of maximum SEK 2.00 per share
- SBB intends to promote the listing on NASDAQ First North Premier

Rationale for conversion



**Counted as 100%
equity by rating agencies**



**A new mean of payment in
transactions to yield
oriented investors**



**Lower cost of capital than
SBB's communicated NAV
growth target**

FINANCING

Activities during Autumn 2018

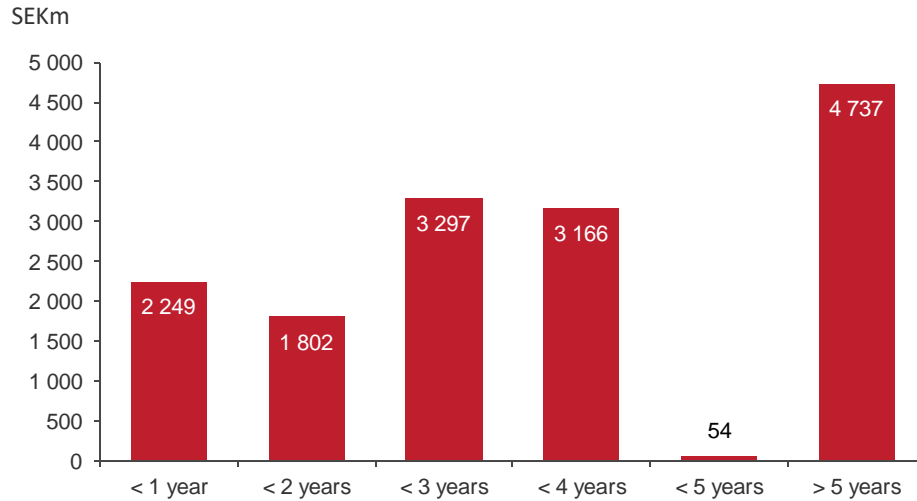
- SEK/NOK Bond Buybacks
- Renegotiated bank loans
- Repaid "expensive" loans prior to maturity
- Issued additional unsecured bonds
- Increased the proportion of back-up facilities
- Set up SEK and EUR Commercial Paper Programmes

FINANCING

Distribution of debt as per 2018-09-30		Finance policy	
Bonds	Bank loans	Covenants	<p>Decrease refinancing risk</p> <p><i>Minimum 50% of outstanding debt should have a remaining maturity of at least two years</i></p> <p><i>Long maturing debt to be spread out across different maturities</i></p> <p><i>A diversified debt portfolio reducing refinancing risk</i></p>
<p>Bonds SEK 6,484m</p> <p><i>Unsecured SEK 1,452m</i></p> <p><i>Secured NOK 3,971m and SEK 683m</i></p>	SEK 6,998m	<p>LTV < 55%</p> <p>ICR > 2.5 times</p> <p>Equity Ratio > 35%</p>	
Commercial paper	Back-up facilities	<p>Balance financial risk</p> <p><i>SBB should have (1) credit lines, (2) a balanced liquidity reserve and (3) available RCFs covering the Commercial Paper outstanding at any one time</i></p>	
<p>SEK 1,823m</p> <p>(of which EUR 43m)</p> <p><i>Programme limit SEK 2,000m and EUR 200m</i></p>	SEK 2,700m		
Swaps			
Two interest rate swaps for loans in Norway NOK 164m			

DEBT MATURITY STRUCTURE AS OF 30 SEPTEMBER 2018

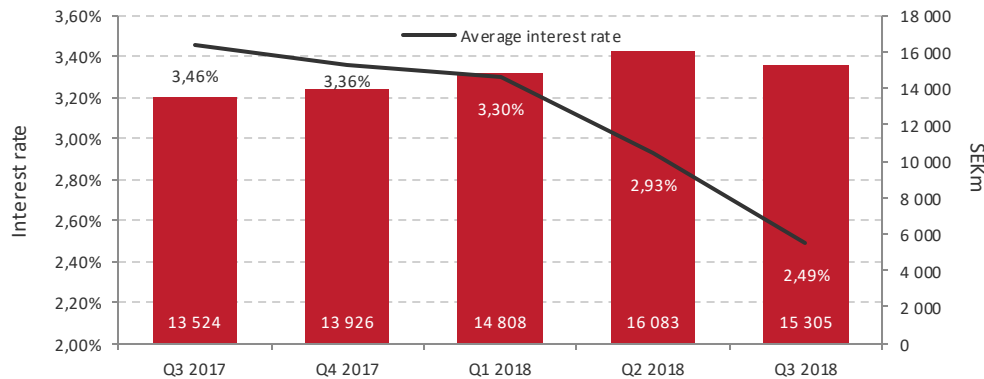
Debt maturity structure



Comments

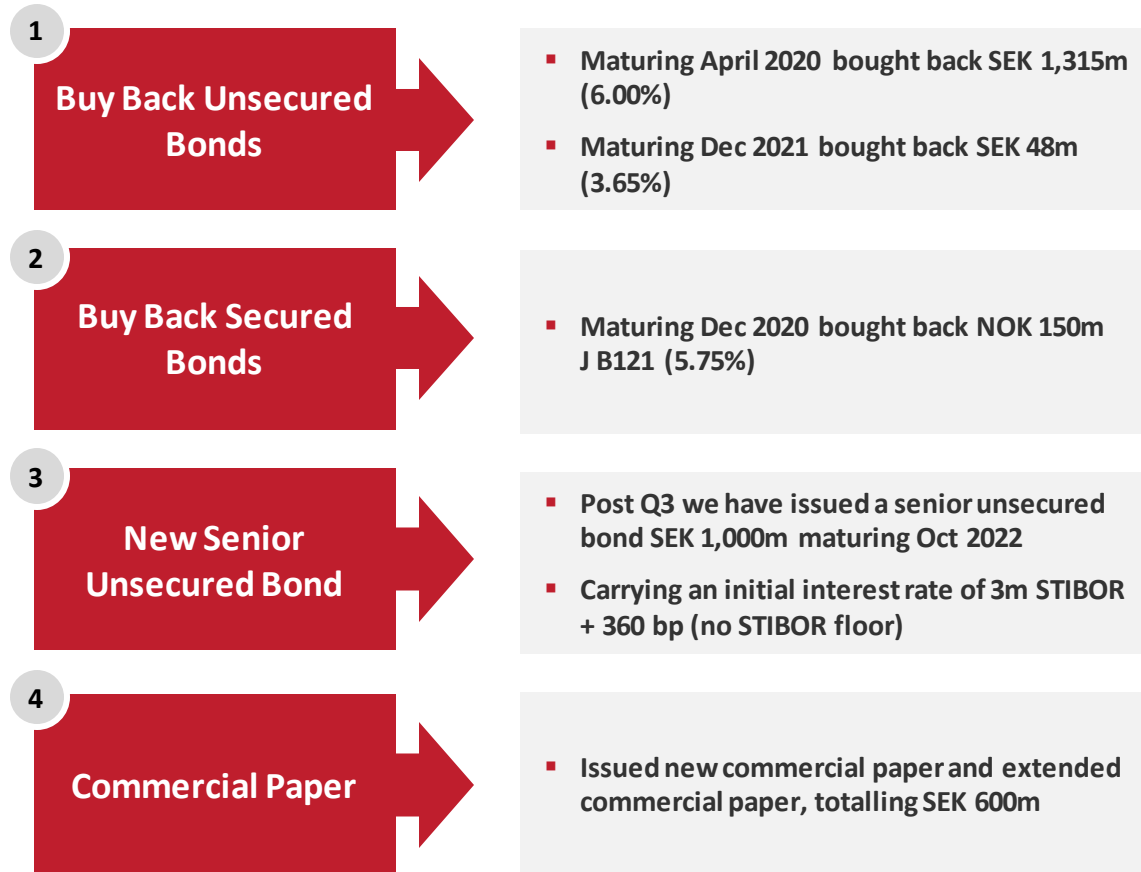
- Bank debt is provided by several banks to increase competition and funding availability while reducing the dependency and risk of a sole lender
- SBB has issued secured bonds as well as unsecured bonds in the capital market
- The average interest rate for external funding amounts to 2.49%
- The average debt maturity was 4.49 years
- The average period of fixed interest was 3.19 years
- Loan-to-Value ratio is 56%¹⁾
- Distribution of floating/fixed interest rate is 40/60

Decreasing average interest rates



1) Excl. hybrid bonds, shareholder loans and convertible debentures

SIGNIFICANT CHANGES TO THE DEBT PORTFOLIO

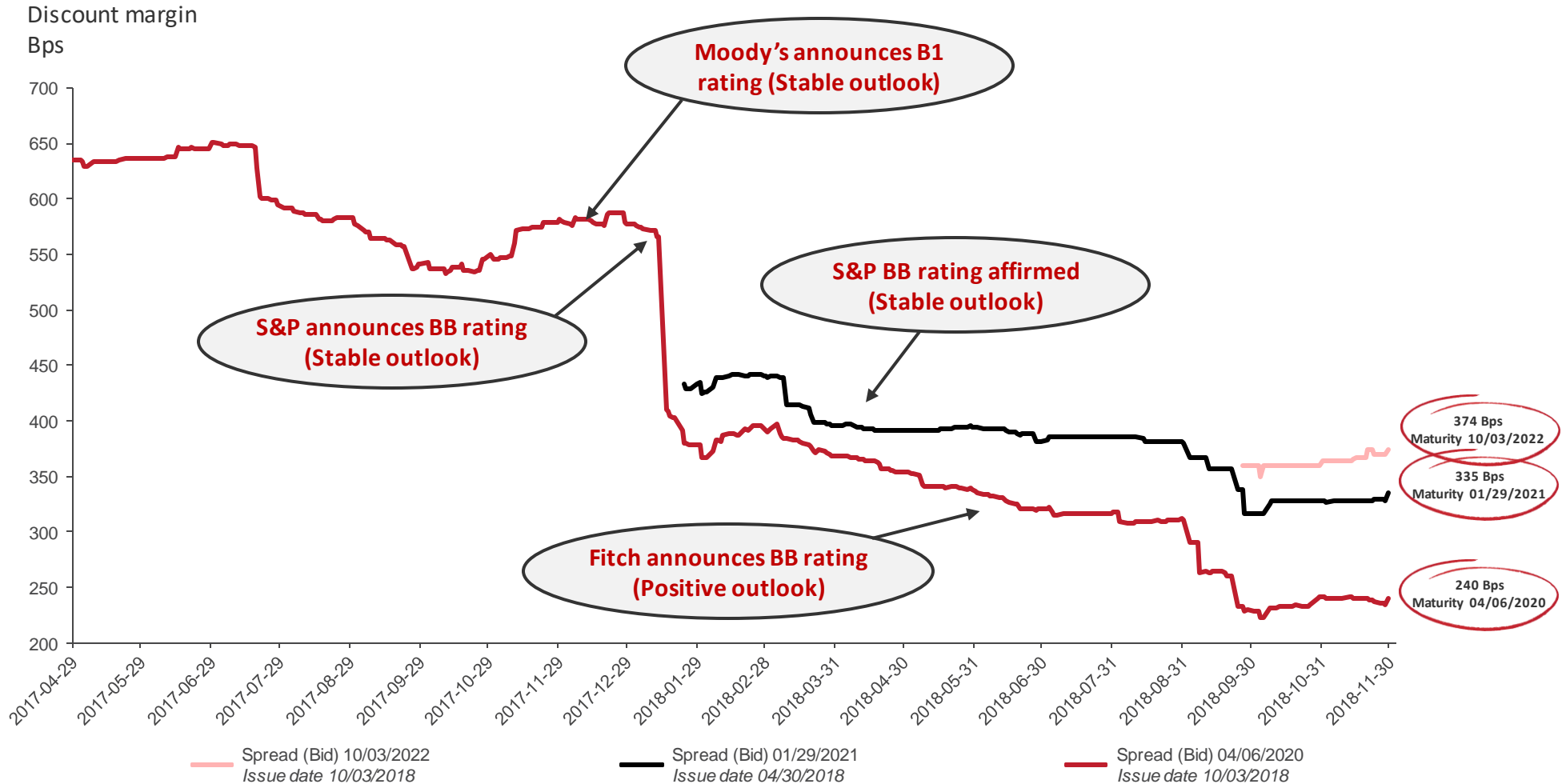


CURRENT OUTSTANDING SENIOR UNSECURED / HYBRID BONDS

Issuer	ISIN-code	Bond	Maturity	Amount, SEKm	Rank	Price	Interest rate	Type	Yield
SBB	SE0011725514	SBBNORD 10/03/22	03/10/2022	1,000	Sr Unsecured	99.500	3.60 (no floor)	FRN	3.355%
SBB	SE0010869123	SBBNORD 20/12/19	20/12/2019	300	Sr Unsecured	100.354	2.90	Fixed	2.525%
SBB	SE0010985713	SBBNORD 05/17/21	17/5/2021	250	Sr Unsecured	101.306	3.65	FRN	3.048%
SBB	SE0010414581	SBBNORD 29/01/21	29/1/2021	750	Sr Unsecured	102.008	3.90	FRN	2.834%
SBB	SE0009805468	SBBNORD 04/06/20	6/4/2020	1,500	Sr Unsecured	105.688	6.00	FRN	1.782%
SBB	SE0011642776	SBBNORD PERPETUAL	N/A	1,200	Jr Subordinated	100.850	6.35 (no floor)	FRN	5.781%
SBB	SE0010414599	SBBNORD PERPETUAL	N/A	1,000	Jr Subordinated	105.125	7.00	FRN	5.671%

DECREASING NEW ISSUE SPREADS

NEW ISSUE SPREADS HAVE DECREASED SIGNIFICANTLY FOR SBB



Source: Bloomberg as of 11/29/2018



CONCLUDING REMARKS

1

- Continue to focus on community services properties, our core assets.

2

- Unlock value through renovations and optimization of existing properties.

3

- Strategic property development to significantly contribute to earnings over a business cycle.

4

- Increase our efforts within sustainability.

5

- Continued focus on decreasing financial costs and investment grade.

6

- Updated financial targets.

THANK YOU!



Samhällsbyggnadsbolaget
